



Energy Future System Operator

Response form

The consultation is available at: <https://www.gov.uk/government/consultations/proposals-for-a-future-system-operator-role>

The closing date for responses is 28th September 2021

Please return completed forms to:

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AND

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Ofgem will publish non-confidential responses (or parts of response) on its website. If you want your response in whole or in part to be considered confidential, please tell us in your response and say why. Please clearly mark the parts of your response that you consider to be confidential, and if possible, put the confidential material in separate appendices to your response.

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Comments: [Click here to enter text.](#)

About You

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	Respondent type
<input type="checkbox"/>	Business representative organisation/trade body
<input type="checkbox"/>	Central government
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual
<input checked="" type="checkbox"/>	Large business (over 250 staff)
<input type="checkbox"/>	Legal representative
<input type="checkbox"/>	Local government
<input type="checkbox"/>	Medium business (50 to 250 staff)
<input type="checkbox"/>	Micro business (up to 9 staff)
<input type="checkbox"/>	Small business (10 to 49 staff)
<input type="checkbox"/>	Trade union or staff association
<input type="checkbox"/>	Other (please describe)

Questions

Chapter 2

Questions in this section relate to

- The case for change

Question 1

Do you agree that net zero will create the need for new technical roles in the electricity and gas systems, and require a new approach to for energy system governance?

A ☒ **Yes** ☐ **No**

B

If not please explain why:

- Net zero at lowest cost is correctly a catalyst for a review and we agree that the existing approaches will need overhaul and enhancement, particularly if Government considers it needs greater insights and advice from an impartial expert body or enhancements to existing bodies that already work with and advise Government.
- Net zero will create new requirements on many existing market participants. A good example is the transition from DNO to commence delivery of DSO activities. Enhanced roles to deliver greater co-ordination and optioneering to a wider set of solutions across broader considerations (including housing stock, transport, heat, electricity i.e. a true “whole system” view) will be needed.
- Energy system governance works well right now and has served customers well although some actors in governance are more effective than others. Ofgem plays a key role itself as well as BEIS. However, in the future, being able to move faster to the best solutions in a more complex environment is going to be vital for success. Companies like ENWL have a track record of innovation, technical excellence, and agility in meeting consumers’ needs, but speed of action in the wider energy system sometimes can be a constraint on how fast we go especially as the need for complete information can hold back some decision makers. We know that we can move quickly to enable net zero though we need Ofgem to approve our customer and stakeholder led ED2 business plan and for mechanisms to be in place to deal with changes in needs and policy.

Question 2

Do you agree that the establishment of a Future System Operator is needed to fulfil the kinds of technical roles needed to drive net zero?

A ☒ **Yes** ☐ **No**

B

If not please explain why:

- We agree that there is a need for these co-ordination and policy informing roles to be undertaken, but from a basis of impartiality. Industry and government has made great progress on net zero and the electricity sector is a particular net zero success to date. Establishing an FSO with this capability is a way to increase the pace of change, although care needs to be taken to ensure the FSO is a listening organisation, pulling on experience, as well as having new ideas.

Question 3

Do you agree that a Future System Operator should have roles in both the electricity and gas systems?

A ☒ **Yes** ☐ **No**

B

If not please explain why:

- Yes, we fully support a whole system approach. In particular, heat drives a need for co-ordination between gas and electricity as either clean gas or clean electricity is the route to net zero heat and transitioning away from high carbon natural gas.

Question 4

Do you agree that a Future System Operator should be entirely separate from National Grid plc?

A

☒ Yes

☐ No

B

If not please explain why:

- Yes, the FSO should be entirely separate from National Grid plc.
- Informing government policy through targeted expert advice in this crucial time should be done separately from one single key stakeholder of National Grid, otherwise there is a risk that any advice is not impartial.
- Part of the scope defined for the FSO is more akin to that traditionally undertaken by Ofgem or BEIS eg energy market design and we are concerned that Ofgem and BEIS should retain the leadership and decision-making responsibilities in these areas. Given the proposed approach to FSO with National Grid ESO at its core and also ongoing operational electricity accountabilities it is possible these factors will heavily shape the FSO's views.
- The performance of system operation activities may be improved by its separation in this specific case, though we do think current levels of separation and the RIIO-2 package given to the ESO will be a massive enabler of a step change in the ESO's effectiveness.

Question 5

What issues are there with existing institutional arrangements in the UK energy system in relation to system-wide decision-making and planning?

Please provide your answer below:

We consider there are several issues within the existing energy system in relation to system-wide decision-making and planning;

- Lack of urgency / speed of progress – major policy making rightly takes time, and implementation also takes time. There is a need to expedite this whilst still coming up with fit for purpose decisions.
- Desire for perfect information – we accept that there should be a desire that any decision taken should be right, but there is (and will continue to be) a fairly high level of uncertainty on the path to net zero, and sometimes a decision by a point in time is better than no decision. There is a need to identify “no regrets” choices sooner and to implement them.
- Disparate or unclear accountabilities – Government's approach with expert departments, such as DfT on transport, is a strength, and BEIS on energy, though net zero is a whole system issue crossing departments. We have found that OZEV is a great example of how government department's expertise is being effectively pooled right now by combined action.

- Resources – some stakeholders such as regional government and local authorities are capability and cash constrained, though this is starting to change.
- Incentives are key to driving behaviour and achieving net zero at least cost. There need to be more incentives than at present to drive co-ordination and planning of overall net zero solutions.
- Co-ordination takes effort – this could be achieved by organisations across traditional boundaries, however, shortage of resources, benefits accruing to other parties and a need for cross skilling may impede this.

Question 6

What examples/case studies are you aware of where net zero delivery in one part of the energy system did not adequately account for cross-system impacts or costs?

Please provide your answer below:

- A recent such example is the outcome of some analysis by Arup working on behalf of BEIS/OLEV. Arup were commissioned to establish indicative costs of EV charging at Motorway Service Areas across GB. Their analysis focused on the charges for connecting made to a developer, rather than the full costs, including those that are socialised. In some cases the lowest charge was for a transmission connection but not necessarily the lowest cost due to the socialisation of costs at transmission. This is because the chargeable cost to the connecting customer and the economic cost to society and all network users are not the same thing for electricity networks. At transmission, infrastructure costs are not paid by the connecting customer as a connections charge, whereas at distribution there will often be a customer contribution to the infrastructure costs. We note that this is being partially addressed as part of Ofgem's Access and Charging Significant Code review.

Question 7

Where should government focus in our efforts to improve systems thinking and coordination across the energy system?

Please provide your answer below:

- Central government should focus on setting clear strategies and timely policy, while enabling regional government and the private sector to make progress with delivery. It is important to balance central policy making and direction setting with the need to localise how that policy is implemented to ensure net zero at lowest cost.
- Government also needs to set very clear direction for regulators and other parties to then implement. We await with interest and look forward to contributing to BEIS's proposed published strategic guidance being developed and provided to Ofgem. This will be an important step in ensuring we meet net zero at lowest cost and will assist all stakeholders understanding particularly BEIS and Ofgem's scopes. Once the FSO is established, BEIS's guidance to Ofgem may need updating or the guidance could be written based on the policy developments from this review, subject to the timescales for both changes aligning.

- Support and funding should be provided to regional government to develop and implement local plans; it is at the local levels that coordination and systems thinking needs to be taking place.

Chapter 3

Questions in this section relate to

- What existing, enhanced and new roles and functions we consider a Future System Operator is well placed to take on to drive the transition to net zero.

Question 8

Do you agree that the FSO should undertake all the existing roles and functions of NGESO?

A

☐ Yes

☒ No

B

If not please explain why:

- No, we don't agree that the FSO should undertake all the existing roles and functions of the ESO as we believe there is a conflict of interest with the FSO managing a code; this should be managed by a licensed code manager as part of option 1 proposed for the Energy Codes Reform work by BEIS and Ofgem.

Question 9

Do you agree there is a case for the FSO to undertake the gas strategic functions outlined in Option 1?

A

☒ Yes

☐ No

B

If not please explain why:

- Yes, we think the FSO should be involved in long term strategic functions. By combining these ESO and GSO roles the FSO should be able to take a more holistic and whole system approach to long term forecasting and the coordinated development of the energy system and networks. We would welcome more detail on the thinking behind Option 1 as it unclear to us why (other than some legislative complexity) the GSO roles cannot be moved in their entirety, as is proposed for electricity, through for example steps such as moving additional personnel from National Grid to the FSO.

Question 10

Do you agree that there is not currently a case for the FSO to undertake all GSO roles and functions, including real time gas system operation, as outlined in Option 2?

A

☐ Yes ☒ No

B

If not please explain why:

- We do not agree that there is not currently a case for the FSO to undertake all GSO roles and functions. The FSO should take all GSO roles with it. Gas will continue to be important in the drive to net zero due to its role in heating, and we consider that this is likely to vary by region; in the north west, for example, hydrogen is a real option. Not including GSO fully in the FSO could lead to the FSO focussing inadvertently on policy that is shaped by some regions' needs and not by others.
- Not having GSO in the FSO risks the FSO being too electricity centric.
- In addition, the current sale of the Gas transmission business by National Grid plc presents an opportunity to transfer all GSO functions as part of a single process rather than initiating a further divestment if it is subsequently decided that all GSO roles should be adopted by the FSO.

Chapter 3- New and enhance FSO roles

Questions in this section relate to

- 3.2 in the FSO Consultation

Question 11

Do you have views on the proposal for an advisory role? What organisations do you consider would benefit from the provision of advice by the FSO?

Please provide your answer below

- To the extent Government and Ofgem feels an advisory role is necessary we certainly support this role being developed and provided. We encourage the inclusion of extending the provision of this advisory role by the FSO to also advise the devolved administrations as well.
- Any advisory role would need to be carefully defined to avoid duplication of scope, particularly in respect of engagement and advice to regional and local government. DNOs currently provide diligent and expert advice at a regional level via wide ranging and in depth engagement with stakeholders. This informs many aspects of net zero at least cost, such as using our Distribution Future Energy Scenarios process which applies a regionally focussed lens to drive net zero at least cost, which can't be achieved just top down or from a national level. There is a risk that inadequate scoping of the FSO role could lead to duplication of effort or incorrect and conflicting advice in different parts of the country, where there are better placed regional experts.
- It is important that the advisor bases its views on robust evidence, takes input from many relevant stakeholders and critically evaluates this. It is also important that the advisory role does not mean that all or influential advice comes only via the FSO.

Who should bear the costs of providing that advice?

- As the advisory body is for societal benefit, we think this should be funded from general taxation. This has the benefit that the taxation system is at least reasonably progressive and should ensure that costs fall on those most able to bear them. We are concerned that energy bills are not the right vehicle for recovering policy costs in general as customers least able to afford bill increases can be exposed to policy costs which disproportionately adversely impact fuel poor customers.

Question 12

Do you have any views on the other areas where we are considering new and enhanced roles and functions for the FSO (outlined in section 3.2)?

Please elaborate:

- The areas for enhanced roles and functions appear to be relevant areas for a FSO although we do have some concerns on some of the specific areas, as set out further below.
- It is particularly important that the FSO builds up broader capability and understanding than the ESO currently has and/or establishes ways to access these wider knowledge, skills, experience and capabilities. Clarity of roles and accountabilities will be critical so that the FSO

can determine what it needs to do, plan for its delivery and best support BEIS and Ofgem in their own roles.

- Care should be taken to ensure that the FSO roles and functions are carefully created and positioned in respect of other reforms being consulted upon in parallel, such as energy codes reform, as there appears to be a potential overlap between these code bodies and the FSO activities.
- It is critical that the governance framework that the FSO operates within is robust and unambiguous and that roles and responsibilities are clearly defined. The ESO and GSO currently have pivotal roles in the day to day provision of energy as well as critical longer term forward planning activities related to energy security, so it's important roles are clearly defined so the right whole system solutions arise. Some of the roles will require real "nuts and bolts" capability and practical "hands on" experience of the operation of the energy system and the wider whole system this is part of. We support joining operations and policy in one entity. Combining policy responsibilities with very practical responsibility will require a highly expert and therefore potentially large organisation. It is important that the FSO has the resources to effectively and efficiently undertake the roles assigned to it.
- With all these roles there should be an overarching principle that they are developed in discussion with the relevant experts/stakeholders to ensure that there is a genuine case for centralisation. Open Networks is a great example of a multi-stakeholder change programme that is looking at many of the topics outlined in section 3.2, for example the development of the Smart Systems and Flexibility Plan, and there is not a clear case for moving work like this to a centralised body.
- We also note that a lot of these roles may require further legislation and we are interested to understand when parliamentary time is being provided for what appears to be a major energy bill.

Specific points of note are as follows:

Dispute resolution

- The proposal for combining and streamlining industry dispute resolution process may appear logical but it is fraught with complexity and we would welcome further information on the merits of transferring some of the functions and powers of Ofgem onto a newly formed body.

Driving competition in energy networks

- It is surprising to see the proposal for the FSO to take on the role of driving competition in energy networks as this seems to us to be clearly a policy responsibility for BEIS and an implementation responsibility for Ofgem. It is quite possible that the new FSO can provide process experience for facilitating increased competition, for example running tenders, but this obligation should not be conferred on the FSO as it clearly sits with others.

Coordination with distribution networks

- We agree any future FSO body would work with the local network operators across electricity and gas to ensure there are joined up, coordinated and optimised processes specifically to deliver whole system outcomes that enable net zero, but it is too early to determine whether it is appropriate for the FSO to undertake some DSO functions. We look forward to seeing more detail in the areas of DSO separation, competition and licensing as part of Ofgem's ongoing work to understand the merits of allowing the FSO to fulfil any of the currently defined DSO roles and activities.

Heat and transport decarbonisation

- The outputs of the Open Networks Project have shown that the current ESO and DNOs are able to work together on the national future energy scenarios (FES) and local distribution future energy scenarios (DFES) recognising that local scenarios are best placed for local area energy planning as they consider the local context. Heat and transport decarbonisation will happen at

a local level and impact the local network operators and the role of the FSO should only be to take account of the local plans in their national scenario development.

Future system operability, engineering standards and energy code development

- See our earlier comments on removing code management from the ESO as part of the transition to an FSO (Q8). This will create an unnecessary conflict of interest that would need to be managed. We believe this should be managed by a licensed code manager as part of option 1 proposed for the Energy Codes Reform work by BEIS and Ofgem.

Hydrogen

- Any decisions on the FSO's role in relation to hydrogen need to be considered in the context of the UK Hydrogen Strategy as published by BEIS on 17 August 2021.

Chapter 4

Questions in this section relate to

Organisation Design

- The high-level characteristics and detailed attributes which we consider are needed to achieve this, and seeks views on two different organisational models and the extent to which they meet these characteristics and attributes.

Question 13

What are your views on our proposed characteristics and attributes of a future system operator and how the models presented would deliver against them?

Please provide your answer below

- The high-level characteristics as set out in the consultation (technically expert, operationally excellent, accountable to customers and able to support the delivery of net zero, independently minded and resilient) are all sensible and appropriate requirements.
- However, it will take care to ensure how an organisation like the FSO can be independently minded whilst being regulated by Ofgem. Regulation implies that the regulator always holds some balance of power and final decision over the regulated and this imbalance in power creates a framework where the regulated FSO may not be fully independently minded. It is also challenging to see at this stage how the FSO would be accountable to customers through its actions; being regulated means that it is accountable to the regulator, acting as a proxy for customers. We suggest further development of the detail of how independence and accountability work in practise.
- Likewise, the resulting attributes (people and capability; assets, systems and processes; financially sustainable; governance) seem appropriate.

Are there other characteristics or attribute that we have not yet considered?

No response provided

Question 14

Are we considering the right organisation models for the FSO? And why?

Please provide your answer below

- We consider that a privately-owned organisation is preferable to a publicly owned one. Private for-profit organisations with appropriate incentives deliver successfully for consumers. The FSO should be aligned to consumer interests and delivering government policy and should listen to energy sector interests as part of its decision-making processes. This provides the right balance so that the body can provide excellence in its day to day operations while providing impartial expert advice to the government and regulators. Notwithstanding this, we note that the consultation states that there is no evidence that the ESO has acted on potential conflicts of interest, and we suggest caution if this perceived conflict of interest is the key or is a determining factor in the decision process.
- However, we agree that the direction of travel in terms of structure is correct, developing an FSO, but we urge caution against unilaterally applying it to other parts of the energy system. For example, we don't think it naturally follows that DSO should be separate from DNO and we would welcome Government and Ofgem indicating the activities they plan to consult on and how they will make decisions.
- We have put forward our proposals to deliver optimum consumer outcomes through undertaking a range of DSO activities as part of our overall RIIO-ED2 business plan which can be found [here](#). These are strong and effective proposals designed to contribute to ensure consumers benefit from net zero being achieved at lowest cost.
- Whatever model is chosen it needs to ensure that the exiting owners of the ESO and relevant gas activities receive fair and full market value for those activities and are not disadvantaged in the remainder of their operations.

Question 15

Are we considering the right elements for the FSO's regulatory and accountability frameworks? And why?

Please provide your answer below

- It is critical that the regulatory and accountability framework for the FSO is fully aligned with consumer interests and achieving net zero at least cost. The framework needs to consider long term needs and achieving goals that are potentially harder to set with high confidence at the moment.
- As stated in our response to question 11, as the FSO functions for societal benefit, we think it should be funded from general taxation. This has the benefit that the taxation system is reasonably progressive and should ensure that costs fall on those most able to bear them. We consider that energy bills are not the right vehicle for recovering policy costs as customers least able to afford bill

increases can be exposed to policy costs which disproportionately impact fuel poor customers, of which there are many in our region.

Question 16

Do you have views on the level of shareholding or control involving other 'energy interests' and the FSO at which a conflict of interest would become a concern?

Please provide your answer below

- Our view is that the FSO should be privately owned but that other "energy interests" should not be shareholders able to exercise control. We don't see any benefits for shareholders being from the energy sector as the board can bring in non-execs and directors with the relevant experience. Shareholders should be simply financial investors or owners who might be from outside the sector.
- If energy interests are to be shareholders then there are good models where these shareholders from "energy interests" do not exert incorrect influence. For example, Elexon has energy interest shareholders but is fully independent of those shareholders. Electralink, which is DNO owned, is also a good example of how a company operates to meet energy system needs whilst benefitting from having industry shareholders as DNOs are also key stakeholders and have licence obligations to deliver the Electralink Data Transfer Service (DTS). In the case of Electralink the shareholders are very much aligned with consumers interests and playing their part in enabling net zero at least cost.

Question 17

Are we considering the right implications of our proposals for Elexon and Xoserve?

Please provide your answer below

- Yes, it is appropriate to consider the impact on both Elexon and Xoserve of the formation of a new FSO as both need to be wholly independent of the FSO in the future. The decision on how these are owned, licensed, funded and managed through a regulatory framework is wrapped into the discussions of the Energy Code Reform work. Our view is that both organisations are divested from links to the FSO and regulated by licence going forward.

Chapter 5

Questions in this section relate to

Implementation

- A preferred high-level approach for implementation of the FSO with the aim of seeking views on how the FSO can best implemented in practice

Question 18

What is your view on the preferred implementation approach?

Please explain why

- We agree that the phased approach is a preferable implementation method. Creating the FSO with existing roles and responsibilities is the first step with future steps taking on the new and enhanced roles and responsibilities as the FSO builds and imports the skills, knowledge and capabilities to perform those functions.
- The sooner an approach is developed and communicated to the employees of National Grid plc the better to ensure key capabilities are retained and operational performance is maintained. The aim should be to give certainty to the NG employees as quickly as possible to minimise disruption to the operations of the FSO and to commence delivering on their new obligations.

Question 19

Based on the areas where we are considering new and enhanced roles and functions for the FSO, which of these should be prioritised for development?

Please explain why

- We believe that the development of the advisory role and functions should be a priority as both Ofgem and BEIS have suggested that there is a gap in this area. There are decisions that need to be taken now, in order to accelerate the transition to net zero, and a need for these to be based on sound advice. More clarity on the gaps Ofgem and BEIS currently see would be appreciated as ENWL or other stakeholders could be able to rapidly assist from a position of strong delivery and current capabilities.

Question 20

What do you believe are the risks to implementation?

Please provide your answer below

- There is a risk that the uncertainty for the ESO/GSO/National Grid means these entities lose focus and may lose key talent to others. A retention scheme should be implemented for key people and these should be ring fenced from moving to other parts of National Grid unless agreed by Ofgem.
- The process is complex and a major industry change – this could mean a temporary slowing down of net zero policy progress. National Grid should be commercially incentivised to ensure the change is successfully achieved via metrics and rewards set in advance and transparently shared with all stakeholders.
- For the FSO to undertake any of the proposed new and enhanced roles it is expected that they will need to build capability through upskilling and recruitment programmes. This skills gap / shortage

needs to be managed so that the establishment of the FSO does not result in a major “brain drain” into the FSO away from other key organisations, vital to the achievement of net zero at lowest cost.

How can these be mitigated?

See above

Question 21

Do you have any comments on potential implications of implementation for you, your organisation, or other stakeholders?

Please provide your answer below

- We are concerned about how to ensure the FSO carries forward its ESO activities successfully during any transition, particularly when working with transmission and distribution network licensees. We think there is a risk that collaboration and cooperation might markedly reduce as part of ensuring separation between the National Grid ESO and ETO. As a DNO our customers all rely on National Grid’s ESO and TO arms for secure, timely and affordable electricity connections and provision of capacity into our DNO network.
- Whilst not an implication of implementation, there is undoubtedly some precedent that might be drawn with DSOs and their position within the energy system. We welcome some of BEIS’s comments that DSOs are enabling competition and a wide variety of solutions be these flexibility, energy efficiency or extending networks. It is important this approach of allowing the current transition with DNOs undertaking some key DSO activities with appropriate transparency and decision-making separation is given sufficient time to prove how much value it delivers for consumers. Our ED2 business plan proposes a range of novel and effective measures to achieve this balance, preserving the integration benefits of DSO/DNO whilst protecting against the potential risks: [Annex 17 ED2 DSO Transition Plan \(enwl.co.uk\)](#).

Chapter 6

Questions in this section relate to

Impact assessment

- FSO Impact assessment which is presented alongside this consultation to assess the likely costs, benefits and distributional impacts of the policy options considered

Question 22

What is your view on the position there are likely to be cost savings across the energy system from an increased “whole system” view, as described in paragraphs 50-55 of the IA?

A

Please provide your answer below

- We agree that there are likely to be cost savings from increased whole system collaboration and coordination, facilitated by the increased sharing of data. On topics like heat it is clear that whole energy system co-ordination is beneficial as this will ensure a joined-up approach to providing the energy to heat peoples’ homes and businesses. Consumers are responsive to government policy and local measures taken by local authorities and county councils, but co-ordination is key to delivering overall cost savings. Similarly transport decarbonisation is an example where whole system thinking is likely to result in net zero outcomes at least cost.
- In delivering benefits from co-ordination we expect savings will come materially from local co-ordination and developing net zero solutions tailored to the region or authority area. Equally important is enabling and empowering local development and decision-making on net zero pathways and policy implementation, along with providing sufficient funding to those who need to collaborate.
- The quoted values in the IA only represent cost savings in the total expenditure on the transmission network. Although these seem large in quantum we do recognise that a 1% to 5% savings appears potentially reasonable compared to progressing without whole system co-ordination. Whole system benefits are an area where we are building up our own experience and knowledge base in this relatively new policy area.

B

If so, is the potential magnitude of savings illustrated fairly in the IA?

See above

C

If not, why not?

See above

Question 23

What is your view on the conclusion that policy intervention is likely to increase the benefits of onshore electricity network competition, as described in paragraphs 53-59 of the IA? If you agree, is the potential magnitude of savings illustrated fairly in the IA? If not, why not?

A

Please provide your answer below

- We are not directly involved in electricity transmission competition matters as a distribution network company. It is possible that the FSO might identify transmission projects suitable to be competitively delivered however the ESO already does this, so the extent of any additional benefits is unclear. We note however that there is no evidence presented of conflicts of interests being acted upon and have reservations that the magnitude of savings expressed in the IA have been robustly evidenced or will be realised for consumers.
- In electricity distribution there are already key forms of competition that go beyond those established in transmission such as the use of energy efficiency and/or flexibility services to avoid the need for network build where more cost effective for consumers. Smart street is a good example of where we have undertaken this kind of project to increase value for customers from existing assets rather than build more network, and there are many other examples across the electricity distribution sector. There doesn't appear to be much evidence in the public domain for how alternatives to building transmission network are routinely taken forward in the same way, so we suggest the FSO should look much harder at ways to manage the transmission system to achieve more with the existing assets, working with the TOs.

B

If not, why not?

See above

Question 24

Do you think that the impact assessment has identified and considered the key costs and benefits of policy intervention?

A

☐ Yes

☒ No

B

If not, can you provide details on other impacts that have not been considered?

- In general the IA only provides a high level qualitative estimate of the key costs and benefits of policy intervention. As stated above it is quite possible that there are additional benefits from improved

decision making across the whole system as a consequence of the increased sharing of data by the network operators, as required by the Data Best Practice and delivery of the Energy Data Task Force recommendations, as well as data transparency enabling others to bring whole system solutions forward. The IA though should be stronger on why the benefit can only be achieved through establishing an FSO which is more independent of National Grid over other separation policy measures.

Question 25

Do you think that the distribution of impacts is fairly represented, with impacted groups correctly identified? Outlined in table 5 of the IA.

A

☐ Yes

☐ No

B

If not, why not?

No response provided

Question 26

We invite respondents' views on whether the proposals for energy system governance reform may have a different impact on people who have a protected characteristic (age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (gender) or sexual orientation), in different ways from people who don't have that characteristic.

Please provide any evidence that may be useful to assist with our analysis of policy impacts.

- It is important that the FSO has a strong diversity and inclusion policy and that this delivers results to ensure it represents appropriately the communities that the FSO serves. Advice if given from a non-representative body may be undermined due to perceived lack of legitimacy.

Do you have any other comments that might aid the consultation process as a whole?

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

The response template seemed to invite comments in certain sections only if a respondent disagreed. We included our reasoning for support as on occasion as this includes our views on areas where further development or clarity would be beneficial.

Thank you for your views on this consultation.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ☒

At BEIS we carry out our research on many different topics and consultations, and your views are valuable to us. Would you be happy for us to contact you again from time to time either for research or about other consultations?

☒ Yes

☐ No